



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

OCTOBER 27, 2009

PRESENT: Tanda, Mueller, Hart, Koepp-Baker, Liegl, Moniz
ABSENT: Escobar
LATE: None
STAFF: Community Development Director (CDD) Molloy Previsich, Planning Manager (PM) Rowe, Senior Planner (SP) Linder, Senior Planner (SP) Tolentino and Development Services Technician Bassett, BAHS Director Toy, Housing Project Manager Ordoñez

Chair Tanda called the meeting to order at 7:00 pm., inviting all present to join in reciting the pledge of allegiance to the U.S. flag.

DECLARATION OF POSTING OF AGENDA

Development Services Technician certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Tanda opened, and then closed, the floor to public comment for matters not appearing on the agenda as none were in attendance indicating a wish to address such matters.

MINUTES: September 15, 2009

COMMISSIONERS MUELLER AND KOEPP-BAKER MOTIONED TO APPROVE THE SEPTEMBER 15, 2009 MINUTES.

THE MOTION PASSED (6-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: ESCOBAR.

October 13, 2009

COMMISSIONERS MUELLER AND LIEGL MOTIONED TO APPROVE THE OCTOBER 13, 2009 MINUTES WITH NO REVISIONS.

THE MOTION PASSED (5-0-1-1) WITH THE FOLLOWING VOTE: AYES: KOEPP-BAKER, MONIZ, TANDA, MUELLER, HART; NOES: NONE; ABSTAIN: LIEGL; ABSENT: ESCOBAR.

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PUBLIC HEARINGS:

1) SUBDIVISION,
SD-09 05
DEVELOPMENT
AGREEMENT, DA-09-
04/ENVIRONMENTAL
ASSESSMENT, EA-09-
22: E. DUNNE-JASPER
PARK:

A request for approval of a 15-lot subdivision representing phase 7 of the Jasper Park development located on the south side of E. Dunne Ave., west of San Benancio Way. The project is zoned R-2 3,000 Residential Planned Development. A development agreement will also be considered for 15 lots and its related commitments. (APN's 817-11-038)

SP Linder presented the staff report and pointed out clarifications on pages 8 and 9 of the Development Agreement proposed for adoption.

Chair Tanda opened, and then closed, the floor to public comment for Agenda Item No. 1, as none were in attendance indicating a wish to address such matters.

COMMISSIONERS MUELLER AND LIEGL MOTIONED TO APPROVE THE E. DUNNE-JASPER PARK SUBDIVISION AMENDMENT AND FORWARD TO CITY COUNCIL

THE MOTION PASSED (6-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: ESCOBAR.

COMMISSIONERS MUELLER AND KOEPP-BAKER MOTIONED TO APPROVE THE E. DUNNE-JASPER PARK DEVELOPMENT AGREEMENT AMENDMENT WITH MODIFICATIONS.

THE MOTION PASSED (6-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: ESCOBAR.

2) DEVELOPMENT
AGREEMENT
AMENDMENT
APPLICATIONS:
A) DAA-05-13D:
JARVIS-SOUTH
VALLEY
DEVELOPERS:
B) DAA-06-03C:
JARVIS-SOUTH
COUNTY HOUSING:
C) DAA-05-01D:
COCHRANE-
MISSION RANCH:
D) DAA-05-02E:
COCHRANE-LUPINE:

Requests to amend the Development Agreement for five on-going projects to re-incorporate the Development Schedule, extend development deadlines, modify Paragraph 18 allowing the City Manager to approve future development agreement amendment requests, and extend the dates for the BMR Reduction Program. Two projects (Mission Ranch and South Valley Developers' Madrone Plaza) are also requesting to amend their Development Agreements to incorporate additional allotments awarded in February 2009 as on-going RDSCS projects.

SP Tolentino presented her staff report.

Tanda: These Development Agreements won't be coming to Planning Commission in the future, due to Paragraph 18.

Tolentino: CM can approve minor changes, extensions, etc.

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AND E) DAA-04-05D:
BARRETT-ODISHOO
(VILLAS OF SAN
MARCOS):

Rowe: Planning Commission will continue to monitor through the Quarterly Report.

Chair Tanda then opened the floor to public comment.

PUBLIC COMMENT

Dick Oliver of Dividend Homes answered questions regarding Alicante and Mission Ranch.

Mueller: Why are the commence construction dates so far into the future?

Oliver: The rationale for the dates requested on Exhibit A is that it places the commencement of construction for each fiscal year approximately one year apart. Each fiscal year is approximately 15 units and it takes that long to get financing and build 15 units. If the market picks up they would build faster, but the intent is to try and avoid going back for extensions over and over again. The Commence Construction dates chosen actually put the last 30 units as being done at same time. The dates requested seems consistent with what market is doing. Dick Oliver also asked that the commissioners look at Exhibit D, which lists the affordable housing types. He requested that a distinction be drawn between Phases 10 and 11 and the subsequent phases. Phases 10 and 11 competed under Measure C 2004. Those homes were moderate non-restricted. They were not BMR's. In the 2008 competition, that changed. The subsequent phases then came under BMR program as it currently stands.

Mueller: I have a problem with dates set clear out in 2013.

Moniz: Are you comfortable with staff recommendation change of a few months sooner on the commencement of construction for the Alicante project?

Oliver: Yes. We're not sure whether the school district will take the set-aside school acreage. The project may have to modify the site plan and talk to the City regarding a larger park.

Scott Schilling of South Valley Developers: South Valley Developers is in partnership with South County Housing on the Madrone Plaza project. South Valley Developers has an agreement with the bank to complete 13 units before moving forward with additional construction. We have sold 10 of 18 units. We need three more non-contingent contracts. Unfortunately, we are going into the slow time for the market, with the upcoming holidays. We hope to have three more sold within next three months. South Valley Developers supports staff's proposal, especially considering the current lending environment. SVD has the advantage of having already installed all pads, street infrastructure and offsite work, so we are ready to move forward with additional units at any time.

Moniz: Do you feel banks are loosening up on lending terms?

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Schilling: Not yet. First, the job market needs to improve. Then it will require six to 12 months to see changes in the market.

Candace Koo of South County Housing: South County Housing has sold 31 of its 95 units at Madrone Plaza. We have commenced construction on all but 17 units. We have 64 units left to sell.

Mueller: In other words, you have sold less than half.

Koo: Correct.

With no others present who wished to address the issue, Chair Tanda closed the Public Hearing.

COMMISSIONERS MUELLER AND MONIZ MOTIONED TO APPROVE THE DEVELOPMENT AGREEMENT AMENDMENT FOR JARVIS-SOUTH VALLEY DEVELOPERS.

COMMISSIONERS MUELLER AND MONIZ MOTIONED TO APPROVE THE DEVELOPMENT AGREEMENT AMENDMENT FOR JARVIS-SOUTH COUNTY HOUSING.

COMMISSIONERS MUELLER AND MONIZ MOTIONED TO APPROVE THE DEVELOPMENT AGREEMENT AMENDMENT FOR COCHRANE-MISSION RANCH WITH THE CLARIFICATION THAT PHASES 10 AND 11 ON EXHIBIT D ARE MODERATE NON-RESTRICTED.

COMMISSIONERS MUELLER AND MONIZ MOTIONED TO APPROVE THE DEVELOPMENT AGREEMENT AMENDMENT FOR COCHRANE-LUPINE.

COMMISSIONERS MUELLER AND MONIZ MOTIONED TO APPROVE THE DEVELOPMENT AGREEMENT AMENDMENT FOR BARRETT-ODISHOO.

EACH OF THE MOTIONS PASSED (6-0-0-1) WITH THE FOLLOWING VOTE:

AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: ESCOBAR

OTHER BUSINESS:

3) DRAFT HOUSING ELEMENT:

The proposed update of the Housing Element to the General Plan is intended to serve as a statement of City policy regarding existing and future housing in the community. The update includes information and has been structured to demonstrate compliance with State law.

PM Rowe presented his staff report.

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Rowe then introduced Housing Element Consultant, Josh Abrams, who provided additional information using a PowerPoint Presentation.

Abrams began by stating that the Housing Element Task Force has really helped. All proposed policies were reviewed in detail by the task force. The next step will be to send the document to the State. After they look at it, it will need to come back for more review and revision by staff, and after that there will be public hearings before the Planning Commission and City Council for approval. Ten data sources were used in the development of the report. Seven are from the last year. They predict slow and steady growth over the next 10 yrs. Three-quarters of the need for new housing consists of children who have grown up here. Seniors are the next largest sector, especially during the next 15 yrs, due to the aging baby boomers. Morgan Hill will probably import seniors because it is a suburban community. Suburban communities are more attractive to seniors. Abrams stated that it is still difficult for a typical family to afford a house. The situation was worse a few years ago, but it has gotten better in this economy. The rental market remains tight. Teachers and retail workers are considered in the extremely low sector with income of \$50,000 or less. Low income is categorized as \$50,000 to \$80,000. Moderate is \$80,000 up to \$120,000. Mr. Abrams added the State provides each city with a number of housing units which the city is to accommodate during the time frame of the Housing Element. That number is referred to as the Regional Housing Needs Allocation (RHNA). The Association of Bay Area Governments (ABAG) develops the RHNA to distribute the region's share of statewide housing needs to the cities and counties within the region. In developing the 2009 method for distributing the latest regional housing needs, ABAG gave increased emphasis to areas along major transit corridors, in larger more urban areas (larger cities) and to where there are a high number of existing jobs as well as employment growth. The new method is intended to allocate fewer units to more suburban outlying areas. This new approach has resulted in a lower "fair share" housing need for Morgan Hill (reduced from 2,484 units during the 1999-2006 planning period to 1,312 units in the 2007-2014 period. The Housing Need study in the updated Housing Element looked at housing needs in the following order:

- Affordable housing for families
- Senior Housing
- Apartments
- Mobile Homes
- Emergency Shelters
- Sustainability
- Affordability – by design
- 2nd units – also by design
- Flexibility – RDCS

Chair Tanda called for a ten minute break at 8:00 pm. The meeting was reconvened at 8:10 pm.

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DISCUSSION:

Chair Tanda opened the floor to discussion.

Koepp-Baker: What is justification for loosening the RDCS competition for Seniors?

Abrams: They have much more restriction on income, so home prices need to be lower, and so senior projects would likely not compete well against other Open Market units in the RDCS competition.

Mueller: We have responded to market needs in both rental and senior.

Abrams: Morgan Hill has responded but the Housing Element has not, and so language is being brought up to date.

Mueller: We need to revise the language to reflect that fact.

Abrams: We will make sure to recognize that Council has been proactive in meeting the needs of lower income people.

Mueller: What is meaning of Policy Ix-1?

Abrams: If the market changes, developers should be allowed to make changes to adapt.

Mueller: That is already policy.

Abrams: The report should probably have the language changed to state that it is a "continuation of recognized policies."

Mueller: What will the State do with Quantified Objectives?

Abrams: No one really knows the future housing market, but Morgan Hill has a good track record of constructing homes to try and meet its RHNA, and we are explaining why we don't expect to meet the extremely low category.

Mueller: I'm concerned that we're indicating that we're going to do substantially more than what we're able to actually do. Is 2,642 dwelling units too many?

Abrams: State law makes it clear that even if markets don't cooperate, if cities have done their part by zoning and making land available for development, then they will be not be reprimanded or held to consequences for not "setting the table."

Mueller: Why would we commit to a number that is drastically larger than what we can do?

Abrams: It is not a commitment, it is a projection.

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Tanda: Regarding the mobile home policy change, will the City be discouraging new mobile homes?

Abrams: No, not discouraging them, but not supporting new mobile home parks as a type of housing.

Ordonez: We will continue to support existing mobile home parks with updates, continuation of our mobile home rehab program, etc.

Liegl: Mobile homes are selling as fast as they go on the market. The reason is because seniors lost half of their retirement income in the market when it dropped and mobile homes are a desirable type of housing for seniors. How does that fit into the assessment?

Abrams: Staff feels that public/RDA money is better spent supporting other types of new housing, such as apartments, rather than new mobile home parks.

Liegl: But if mobile homes offer the best rates, and a growing population of seniors is devastated by markets, we have to consider that. We need as much and maybe more mobile home units.

Ordonez: Staff has generally found that RDA gets more “bang for their buck” with construction of other types of more permanent senior units. The Horizons senior rental housing project and the Casa Diana senior housing projects are both examples of senior projects moving forward.

Liegl: Whatever the case, seniors need a place to live.

Abrams: Correct. As people age, more investment income gets used and the situation gets worse. Thus the need for cheaper rents grows. But there are lots of policies for seniors so they have good options.

PUBLIC COMMENT:

Tanda: Thank you. The floor was opened to Public Comment.

Rocke Garcia: I oppose the Element mainly based on numbers from the BMR program. The current rate of 33% is too much. Regarding the chart 1999-2006 v. 2007-2014, developers are dropping from 48% down to 38% for housing that is above moderate. That is a 10% drop. We do have to do our fair share but that should only be 20%. I would like to see at least 48% of housing maintained as above moderate.

Dina Campeau: I have been a citizen of Morgan Hill for 12 years. I served on the Housing Task Force largely because of my experience with homeless issues. I am very glad that the housing element addresses ending homelessness. However, there is no money for homeless shelters or for transitional shelters. I would also like to try to fight the perpetuation of stereotypes. Because of this area’s high cost of living, households making \$50,000 to \$80,000 are categorized as low income. These are good families. They are not people that can be generalized as lesser citizens. We need to

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allow all types of people to live in the community.

Glenn Ritter: I live at 17895 Calle Tierra. I am a concerned resident of Morgan Hill. I am concerned with the Housing Element as well as the process. Specifically, the 60 page document of the Housing Element with 90 pages of appendices could have a huge impact on our city. My main concern is that we should not increase low income housing from 28% to 43%. The community does not support this. Why are we decreasing moderate? Also, there are no penalties. Should the city not follow the Regional Housing Need Allocation (RHNA)? The city has met more than 51% of its objective, which means people being attracted do not live or work in Morgan Hill. What determines residency? How does the expenditure of city public funds help the local community? Why is there a concern for larger households? Why are large families described as special needs? My other concern is that there is very little oversight on the existing BMR program. More than half of those who would directly benefit don't even live here. It appears that the Housing Element is trying to rush through the approval process. It took over three weeks from staff to get answers to questions. I respectfully request that staff spend more time before forwarding this to City Council. Let's shift funds for moderate housing, or seniors. Let's spend money wisely on local public interests.

Dick Oliver: It needs to be noted that in 2007 to 2014, the number of units suggested by the state (1,312) only works for cities that do not have a growth ordinance. We live in a city that does have controlled growth, so we have a lesser number of units that can be built during the next 7 years. Measure C applications will be impacted. Could we start counting aging housing stock as below market housing, and be more creative in other ways to meet the needs of lower income citizens?

Tanda: On the Quantified Objectives chart, is 2,642 the number of units to be built?

Rowe: 1,312 is the minimum that has to be planned for. The 43% for extremely low to low income is based on the City's RHNA number (1,312) that is only a portion of the more than 2,600 units we expect to build according to our Quantified Objectives. When you look at the total housing figures the percent of housing in the above moderate category increases from 38% of the RHNA number to 51% of the total project housing through 2014.

Abrams: The goals for this cycle aim for fewer extremely low and low units. Instead, this cycle is aiming for more moderate housing. It increases the middle range of income.

Jan Lindenthal: I am the Vice-president of residential development for the Mid Peninsula Housing Coalition. I served on the Housing Element Task Force and I worked for South County Housing for 12 years. Even with the production goals articulated, that doesn't mean that all of those units would be deed-restricted. Some would fall into low income category, but would be unrestricted and "naturally affordable", such as downtown or senior units.

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Additionally, times are tough. It's bad out there across the board. It is important to support one another, especially those who are most vulnerable. I am proud of Morgan Hill's contribution to affordable housing and will continue to serve people in Morgan Hill. We did a study of the low income rental projects. We found that over 90% of the students from affordable housing projects were already in the school district. They were not from out of town. The representation that the affordable housing is serving people not from this community is not accurate. In the programs and policies that the city and the task force recommend, there was a large cross section of interests represented, there was healthy dialogue, and there was an effort to strike a balance and to respect previous policies enacted. There is a good balance of programs.

Teresa Flores: I am a resident of Morgan Hill. I live on Calle Hermosa. I am opposed to an increase in BMR's due to my own experience. When I bought my house I did not know that the BMR units were so close. I might have made a different decision in buying my house had I known. I have been very unhappy with the BMR experience.

Tanda: What is a beginning teacher's salary?

Glenn Ritter: The starting salary is \$42,000 plus \$9,000 in benefits for only 9 months of work. Annualized, that would be \$59,000 + \$12,000 in benefits. After 30 years, a teacher's salary jumps to above \$100,000.

Tanda: You cannot annualize the salary of a teacher and benefits are not in cash and not included as income.

Ritter: Teachers can work during the three months of summer break.

Koepp-Baker (question directed to Ms. Flores): What do you think is the reason your experience with BMR's has been bad? Are the people in the BMR's not able to maintain their homes?

Flores: Correct, they do not maintain their homes or yards, they do not pay dues, etc.

Liegl: I take issue with the statement that teachers "do not work for three months." It takes the entire summer to prepare for the school year, and they work way more than eight hours per day.

Shauna Boygan: I am a realtor at Coldwell Banker. I sit on the Silicon Valley Housing Action Coalition. I am proud of being from Morgan Hill. We have a lot of diversity and choices in the Housing Element. Let's not disallow mobile homes. They are important. The Realtors Association is opposed to BMRs, however. Let non-profits do the affordable housing. They should work hand in hand with market developers. We should not regulate what developers have to do. Let's look to credits from state and federal funds to help first time homebuyers. I know a nurse who bought her first home in the market that was originally to be a BMR. She got an \$8,000

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federal tax credit, plus money from the state, etc. I also feel that benefits definitely should count as income. Realtors have to provide them out of their own pockets, so I am well aware of that.

Charles Weston: I was the chair of the Housing Task Force this year. I feel qualified to do this because I have development experience and I own property downtown (The Granary) and I am a citizen of this community. There was great diversity on the task force. It is not just developers responsible for the types of housing needed to be built. Many groups were represented. They did come together. The vote was unanimous 11-0, including one of the major developers in this town. The request for developers for a reduction in specific types of housing is a surprise. Many notifications went out. The meetings were open. Many people showed up that were not given specific notice. My firm has just hired a graduate of Cal Poly. We offered him a starting salary of \$42,000. We also provided him with health and dental. This starting salary does not go a long way. He is the caliber of person that would be an excellent resident to attract to Morgan Hill. We should be socially responsible to provide housing for all economic sectors of our population. And I disagree with Policy No. 1k-4, in that we as a city should be promoting a higher standard of environmental construction.

Liegl: The Planning Commission would like to compliment Weston and the Task Force with the work they have done. Sometimes it's a no-win situation and you have to come to a consensus anyway. You did a great job.

DISCUSSION:

Mueller: The wording still needs to reflect that most what we're going to do is a continuation of what we're already doing, because our standards are above what the Housing Element reflects they are.

Chair Tanda: With no one else in attendance indicating a wish to address such matters, the floor was closed to public comment.

Koepp-Baker: The concern is that we're operating on stale information, such as unemployment statistics, salary, businesses still in operation, etc. Will those numbers be current at the next review?

Abrams: They should be 2008 figures.

Koepp-Baker: That is still not relevant.

Abrams: We can buy newer data and revise the statistics if the new data is substantially different.

Koepp-Baker: \$84,000 gross nets out to about \$50,000. People in that bracket don't consider themselves low income, but that does not buy them much. We need to see more relevant numbers.

Abrams: We cannot change the RHNA fair-share figures.

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Mueller: Whatever changes we want need to be done now, because once it comes back from State it will pretty much be set in concrete.

Abrams: Correct. Any significant changes would involve large delays.

Tanda: Page 12 shows an obligation of 1,312 units. To confirm, that is an allocation that has been made by the regional body, which is non-changeable. What are the consequences if the City of Morgan Hill chooses to ignore those recommendations?

Abrams: You have to make the land available to be able to accomplish the RHNA numbers. If you don't and you're sued a judge can take over the City's land use authority. You may also have to pay the legal bills of plaintiffs who sue the city.

Ordonez: The City's Residential Development Growth Control System approved by Morgan Hill voters could be vulnerable to legal challenge if the City does not have a Certified Housing Element that makes a solid effort to plan to meet the RHNA.

Mueller: We have more than enough allocations and land zoned to meet those numbers.

Abrams: Yes, but if RDCS is "getting in the way" than there would be consequences, including a loss of state funds.

Tanda: It's a given that the city needs to accept the state's figures. New construction means units that are in the queue, which means Morgan Hill's allocations exceed the regional requirements, except for the category of extremely low. On page 18 of the report, do the figures represent gross pay, not including benefits?

Abrams: Correct. The gross income excludes benefits.

Mueller: I still have the basic objection of committing to numbers of units at income levels over and above that which the state requires. What if they hold us to it?

Molloy Previsich: It is not a commitment. It is just a projection that recognizes the types of units and density levels that we project will build by 2014, such as in Downtown.

Abrams: The first page of the Appendix states that there have to be Quantified Objectives.

Mueller: True, but those numbers from past years weren't above what was suggested. So why go above that now?

Molloy Previsich: Since it is our city's general plan, it needs to reflect our city's projections. The General Plan, Downtown Specific Plan and Housing

Element all need to be internally consistent.

Ordonez: Staff is not aware of any time when cities have been held to Quantified Objectives. It's always been RHNA that the State Housing and Community Development measures, and RHNA has been referenced by the various groups that monitor housing production.

Mueller: I don't trust the state.

Tanda: But it's our own city goal and projection, not the State's, so they're not going to hold us to our estimate because it's our estimate. What does commitment mean? Are we committed to the numbers we project?

Molloy Previsich: No. These are the goals, policies and procedures that support the numbers we have estimated. The State is going to look at that as a piece of our housing element.

Abrams: We can add a footnote that these are based on current market conditions. Conditions can change. We are not committing to anything beyond the RHNA numbers.

Mueller: That would make me feel a whole lot better, so the state cannot hold us to anything we stated as our Quantified Objectives.

Koepp Baker: I agree that it needs to say "projected" in front of the columns.

Liegl: I agree with Mueller. I would prefer that we stick with figures closer to RHNA, and not so out of line. I don't want the state to consider it a commitment.

Tanda: What is the plan for meeting Extremely Low?

Abrams: We don't think we can meet that, but the city has to "set the table" for all the numbers. Then we can conclude that based on all the subsidies, it is not possible to do. The City can say, "As much as we'd love to meet the extremely low range, we do not have the resources for that."

Tanda: Referring to the chart on Page 12, why is the income level so different over the past seven years versus the upcoming seven years?

Ordonez: Some cities felt they were doing more than their fair share, so the State set parameters to have cities proportionally provide their share.

Abrams: We can confirm the methodology used.

Mueller: We must make sure to show the Quantified Objectives as a projection, not a commitment.

Tanda: We do not need to take specific action on the document; we need to

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forward comments and concerns to staff and Council. Is there a sense that you would like to vote or make a recommendation on the Element?

COMMISSIONERS MUELLER AND MONIZ MOTIONED THAT THE TABLE BE REVISED TO MAKE IT CLEAR THAT THE QUANTIFIED OBJECTIVES ARE BASED ON CITY PROJECTIONS.

THE MOTION PASSED (6-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: ESCOBAR.

DISCUSSION
CONTINUED:

Moniz: How many BMR units are presently available?

Ordonez: Six. The South County Housing units at Madrone Plaza are not included in this number. They are a separate type of unit.

Moniz: Please address the comment about “importing” buyers.

Housing Manager Toy: The preference is still that Morgan Hill residents are the people to fill rentals and BMR’s.

Ordonez: Based on information available, over 90% of our BMR buyers either lived or worked in Morgan Hill throughout the entire program—even when the lotteries were being conducted. Now the list is down to 80 interested parties, and the number eligible is probably in the teens. As of July 2008, the preferences have been suspended due to market circumstances.

Mueller: What about Rental BMR’s? Should there be preference given to Santa Clara County residents or Morgan Hill employees?

Ordonez: It’s a local preference as to how you provide the units within the income categories.

Abrams: There is nothing in the Housing Element that changes the recommendations previously in place.

Tanda: Thank you Task Force. Discussion of Item No. 3 is now closed.

COMMISSIONERS MUELLER AND MONIZ MOTIONED THAT THE DOCUMENT BE FORWARDED TO CITY COUNCIL FOR REVIEW.

THE MOTION PASSED (6-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: ESCOBAR.

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4) RESIDENTIAL DEVELOPMENT CONTROL SYSTEMS (RDCS) QUARTERLY REPORT:

Quarterly review of the progress of residential projects that have been awarded building allocations under the City's Residential Development Control System.

Planning Manager Rowe presented the staff report.

DISCUSSION:

Tanda: Are the 1,137 units shown on page 7 of the RDCS Quarterly report part of the queue of the 2,300 shown on the Housing Element report?

Rowe: Yes.

Mueller: But the downtown units plus the next two year's projections would not equal 2,300.

Rowe: It does when you include completed units.

Mueller: I would like to see where we are compared to the threshold. Also, where we are compared to the RHNA? Three things need to be added:

- 1) Projects that get extensions
- 2) Project financing
- 3) RHNA status by income level.

CDD Molloy Previsich: We are required to do RDCS quarterly reports, but limits on staff and time probably prevent the labor intensive items you are requesting.

Tanda: Doesn't page 3 show what you're asking for?

Abrams: Also, the State also produces some of those figures.

Mueller: We need a report showing how we're doing against the goals of the Housing element.

CDD Molloy Previsich: The General Plan Annual Report would provide that.

**COMMISSIONERS MUELLER AND LIEGL MOTIONED TO
FORWARD THE REPORT TO CITY COUNCIL.**

**THE MOTION PASSED WITH THE FOLLOWING VOTE: AYES:
UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT:
ESCOBAR**

5) HOLIDAY SCHEDULE:

Consideration of possible change of meeting dates and/or cancellation of regular meetings in November and December.

DISCUSSION:

Koepp-Baker suggests that since Planning Commission gave up the August furlough, that the commission suspend the second meetings in November

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and December.

COMMISSIONERS MUELLER AND KOEPP-BAKER MOTIONED THAT THE SECOND MEETINGS IN NOVEMBER AND DECEMBER BE SUSPENDED.

**THE MOTION PASSED WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT:
ESCOBAR**

**ANNOUNCEMENTS /
COMMISSIONER
IDENTIFIED ISSUES**

Koepp-Baker: How do you deal with large size of appendices for the RDSCS competition as an e-file?

Molloy Previsich: If you want a hard copy, send an email asking for one.

Liegl: I would always like a hard copy.

Mueller: I suggest that if the November meeting is light, we put a discussion at the end of the agenda, so if there is time, there can be an RDSCS “tutorial” oriented to the new commissioners. Also, global items could be scheduled before 7:00 for the December 8th meeting.

Tanda: I would like to express gratitude to the other Planning Commission members.

**CITY COUNCIL
REPORTS:**

None.

ADJOURNMENT

Noting that there was no further business for the Planning Commission at this meeting, Chair Tanda adjourned the meeting at 10:12 p.m.

MINUTES RECORDED AND TRANSCRIBED BY:

ELIZABETH BASSETT, Development Services Technician

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